

Subject: CMS Special Open Door Listening Session:

Medicare Part B Drug and Biological Payments in 2006: General issues related to competitive bidding

When: Tuesday, April 20, 2004 from 2PM to 4PM (EST)

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) contains several important provisions related to drug coverage and payment. Currently, Medicare Part B covers a limited number of outpatient drugs and biologicals, including drugs furnished incident to a physician's service, drugs furnished under the durable medical equipment (DME) benefit, certain oral anti-cancer drugs, and oral immunosuppressive drugs.

Section 303 (d) of the Act requires the implementation of a competitive bidding program for Medicare Part B drugs not paid on a cost or prospective payment system basis. Beginning January 1, 2006, physicians will be given a choice between purchasing these drugs and being paid by Medicare under the average sales price (ASP) system, or obtaining these drugs from vendors selected in a competitive bidding process. If the physician elects to obtain drugs from a competitive vendor, the vendor will bill Medicare for the drug.

CMS is interested in holding this Special Listening Session to gather your input related to the implementation of this provision, and to allow interested parties to hear and be heard by other members of the healthcare industry. CMS will not be able to respond to your comments at this early stage forum, but intends to utilize your input when considering and developing this payment program.

We welcome comments on all aspects of the drug competitive bidding system. Areas for comment include:

1. Which drugs (or categories of drugs) are best suited to competitive bidding and which drugs (or categories of drugs) should be excluded?
2. How should appropriate geographic regions be established?
3. What standards should be used to evaluate a drug vendor's quality, service, and solvency?
4. What standards should be used to evaluate the integrity of a drug vendor's distribution system?
5. What should be included in a drug vendor code of conduct?
6. How and when should price adjustments occur if a contractor's reasonable net acquisition cost changes?
7. How can Medicare verify that a drug delivered to a physician under the competitive bidding program has been administered to the beneficiary?

8. What is the most appropriate process for restocking physician inventories for drugs used to treat beneficiaries in emergency situations?
9. How will drug vendors obtain patient billing information from physician's offices?

Individuals or groups who wish to submit written comments may do so by sending email to: MMA303DDrugBID@CMS.HHS.GOV

There are 2 ways to participate in this Open Door Forum Listening Session, by phone or in-person.

To participate in-person at the CMS Baltimore Site, an **RSVP is required**.

To register, please **RSVP** (by close of business ***Thursday April 15, 2004***) via email to MMA303DDrugBID@cms.hhs.gov if you plan to attend. Please include the word "Registration" in the subject line of your message, send us your name along with the name of your organization, and contact information, and **indicate whether or not you plan to speak**. Please arrive no later than 1:30 PM. Photo identification is required at security points.

ADDRESS:

CMS Single Site Building

Auditorium

7500 Security Boulevard

Baltimore, MD 21244

Map & Directions: <http://cmsnet.cms.hhs.gov/hpages/ocsq/cmsdirections-north.htm>

To participate by phone:

Dial: **1-800-837-1935** & Reference Conference ID: **6330178**

Persons participating by phone are not required to RSVP.

Note: TTY Communications Relay Services are available for the Hearing Impaired.

For TTY services dial 7-1-1 or 1-800-855-2880 and for Internet Relay services click here <http://www.consumer.att.com/relay/which/index.html> .

A Relay Communications Assistant will help.

ENCORE: 1-800-642-1687; Conf. ID# 6330178

"Encore" is a recording of this call that can be accessed by dialing 1-800-642-1687 and entering the Conf. ID beginning on April 21, 2004. The recording expires after 4 days.

For Forum Schedule updates, Listserv registration and Frequently Asked Questions please visit our website at www.cms.hhs.gov/opendoor/